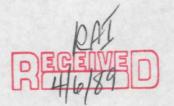


USS 600 Grant Street Pittsburgh, PA 15230



April 4, 1989

Edward Kowalski, Esq.
United States Environmental Protection Agency
Region V
230 South Dearborn Street
Chicago, Illinois 60604

Dear Mr. Kowalski:

Re: U. S. Scrap Site - Chicago, Illinois

USX Corporation (USX) is in receipt of the United States Environmental Protection Agency's (EPA's) letter dated March 17, 1989, requesting payment of the amount of money expected by the EPA in conducting response actions under the Comprehensive Environmental Response, Compensation and Liability Act at the U. S. Scrap Site in Chicago, Illinois (Site). Upon review of this demand letter, USX presently declines to reimburse the EPA for its expenditures related to the Site. As a member of the Site Steering Committee, USX will participate in negotiations with the EPA on this matter. Please continue to direct any EPA correspondence on this matter directly to USX.

Very truly yours,

William J. Kabbert, II

Attorney

WJK/jrh

cc: V. Hyatt

L. M. Pruett

Negotiating + Partot Steering Comm.